

accounting competencies, professional staff recruitment, financial systems, training, and customer service. CDC is an integral partner in HHS's initiative to develop a unified financial management system, thereby reducing the number of financial systems operated by the department and consolidating redundant financial operations.

- *Leadership and Staffing*—A key CDC priority is strengthening its accounting staff by recruiting and hiring qualified experienced accountants, certified government financial managers, and certified public accountants. CDC recently appointed three senior accounting positions and a Senior Executive Service-level Deputy Director for Finance and Accounting and is developing a Financial Management Certificate Program to build fiscal excellence.
- *Communications and Training*—CDC will further increase its investment in educating and training financial management staff. The certification program will enable CDC's financial management staff to hone and improve their financial management skills. CDC shares information about fiscal procedures and issues through various channels, including its Financial Management Office Intranet Web site (<http://intra-apps.cdc.gov/fmo>), and also plans to host regular forums for discussing fiscal management issues.

FINANCIAL MANAGEMENT: CFO AUDIT

CDC and ATSDR have received—for the fourth consecutive year—an unqualified audit opinion, as documented in its *Chief Financial Officer's Annual Reports* for each of those years. An unqualified audit opinion indicates that the CDC financial statements present fairly, in all material respects, the financial position of CDC in accordance with generally accepted accounting principles. Although the auditors do not express an opinion on internal controls, the auditors test selected controls, assess significant estimates made by management, and evaluate overall financial statement presentation.

CDC's management carefully considers the recommendations made by our independent auditors. In response to previous audit recommendations, CDC initiated a number of specific improvement activities. During FY 2001, CDC obtained contractor assistance to develop an automated system for recording, billing, collecting, and reporting reimbursable agreements. Although the project is not yet

complete, CDC has made significant progress. CDC also filled accounting staff vacancies, provided additional training for the accounting staff, and made significant improvements to the accounting system tables that support the Standard General Ledger. In addition, CDC developed a comprehensive year-end closing plan that documents the closing procedures and provides close coordination between accounting, budget, financial systems, and program offices.

SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

Systems—CDC's accounting system has remained largely unchanged over the past 10 years, but reporting requirements have grown dramatically. In response, CDC is devoting significant resources to additional system improvements such as automation of the reimbursable billings and streamlining the steps required to produce the financial statements. CDC is also an active participant in the HHS initiative to develop a unified financial management system. The new system will permit real-time processing, make system maintenance more efficient, and will comply with current accounting and data system standards.

Controls—CDC's financial system use a range of automated and management controls to ensure system integrity. Automated controls are designed to restrict unauthorized access to the system; ensure separation of duties; control daily and monthly updating of the system database; and provide periodic reconciliation reports. Management oversight includes reviews performed under the Federal Managers' Financial Integrity Act; monthly and quarterly review of the status of obligations; annual inventory of government property; and various monthly reconciliation procedures.

Legal Compliance—CDC must comply with a broad range of laws and regulations. These laws cover such requirements as budget execution; ethical conduct of employees; legality of payments and collection of debts. CDC has generally complied with laws and regulations applicable to its operations, but our financial auditors have recommended improvements to strengthen the timeliness and accuracy of our financial reporting. CDC is working to address these concerns by improving the automation of our current reporting processes and also working with HHS to develop a new unified accounting system.

FUTURE CHALLENGES

In response to emerging health threats, CDC's budget has grown significantly in recent years. As our budgets and programs expand, CDC must continue current efforts to improve administrative and financial systems. Attracting, training and developing professional staff will also be a challenge for the foreseeable future.

BUDGET AND PERFORMANCE INTEGRATION

During the past five years, CDC has consistently worked to improve the linkages between program performance and the budget. This work has included these key steps:

- Planning at all levels of the organization, which has resulted in greater detail about the strategies, goals, objectives, and results of CDC's programs.
- Collaborating with partners to identify and refine meaningful performance measures. These discussions have resulted in clearer expectations about the intent, outcomes, and challenges in managing CDC's program.
- Changing business practices to emphasize accountability during program reviews conducted for the CDC Director; improving fiscal forecasting through financial systems that allow for more accurate budget projections; and requiring new initiatives to include performance measures and evaluation strategies.
- Creating a clear, direct link between CDC's Performance Plan and its budget request through various strategies, such as efforts to increase communication between planning, program, and budget staff at all levels of the organization and collaboration between individuals and offices responsible for implementing various performance improvement activities, including GPRA, the CFO Act, and the Clinger-Cohen Act.

WORKFORCE PLANNING: MANAGING OUR HUMAN CAPITAL

CDC/ATSDR employs more than 8,700 individuals in nearly 190 occupational specialties that support our programmatic initiatives. The workforce comprises permanent civil service staff (78%), temporary employees (12%), and Commissioned Corps employees (10%). CDC/ATSDR meets its workforce requirements

by recruiting qualified staff and by training and developing its workforce. In support of the President's Governmentwide Management Reforms, CDC has submitted a "restructuring and delayering plan" that emphasizes reducing the number of managers, organizational layers, and the time it takes to make decisions; increasing the span of control; and redirecting employees to customer service positions.

SECURITY OF INFORMATION TECHNOLOGY

CDC continually refines and reviews its performance in and plans for addressing the most significant risks to its technology infrastructure and all policies, technical standards, and procedures to ensure their currency, effectiveness, and completeness. CDC's secure data network uses public key infrastructure to implement strong authentication, encryption, and digital signatures to ensure reliable, protected, authenticated, and nonreputable data exchanges over the Internet for public health surveillance. For example, CDC has issued more than 3,000 digital certificates to partners in state and local health departments and more than 7,000 one-time passcode tokens that ensure the authentication of staff accessing CDC systems remotely. CDC has also greatly improved its network-based virus prevention, intrusion detection and protection, disaster recovery, and other security areas.

REENGINEERING GRANTS MANAGEMENT

CDC has made significant progress in improving its grants management program through these management initiatives:

- completing 70% of a comprehensive assistance management manual being developed to provide policy and procedural guidance for grants and program staff at CDC;
- increasing investments in the grants management office for information technology and systems, training, and travel to grantees;
- implementing the balanced scorecard to monitor satisfaction of grant staff, program staff, and grantees;
- developing a database to help program officials identify and locate objective reviewers to serve on grant reviews;

- identifying initiatives for reengineering business processes that will improve the operation of the current grants management process and to analyze workload and design a workload matrix by position and grade level;
- developing a training manual for grants management.

CDC's E-Grants project has also entered a partnering arrangement with the National Aeronautics and Space Administration (NASA) and other HHS agencies to implement at CDC the NASA Web-based E-Grants system. This system integrates with the Federal Commons, a federal Internet portal for grants management, for advertising grant opportunities and allows applicants to apply for a grant, track the status of an application, and interact with CDC throughout the process. CDC's state grantees are slated to be the initial target audience once this system is available.

E-GOVERNMENT

In concert with the Administration's emphasis on E-Government, CDC continues refining its strategies for conducting E-Commerce. In addition to its leadership role in securing data communications over the Internet and efforts to reengineer its grants management (see previous sections), CDC is also focusing on these key strategies.

- *E-Commerce*—Following HHS' lead, CDC will be conducting its E-Commerce business through E-Procurement and E-Grants. CDC's automated contracting and purchasing will integrate with the federal governmentwide Web site, www.FedBizOps.gov, which has been designated as the single source for federal government procurement opportunities that exceed \$25,000.
- *CDC Web Site*—More than 4 million different visitors per month make CDC's Web site one of the most frequently visited government Web sites. Key improvements and additions will include making the Web site easier to use and navigate, providing more interactive tools, and enriching the content and expanding its content.
- *Government Paperwork Elimination Act (GPEA)*—CDC continues working toward compliance with GPEA by the October 2003 deadline by providing various means to collect and disseminate information electronically and making extensive use of the CDC Web site as a portal for distributing both consumer and professional health information and publications.

PHYSICAL INFRASTRUCTURE: BUILDINGS AND FACILITIES

CDC's management has the responsibility to ensure that its staff has facilities and equipment adequate to carry out CDC's public health mission; that all facilities, particularly laboratories, are safe for both workers and the community; that the taxpayer's investment in these facilities is protected through effective maintenance and operations; that facilities meet applicable fire and life safety codes; and, responsible energy consumption is standard practice in all CDC facilities. To meet those goals, CDC's management monitors the adequacy of space assignments and the conditions of CDC's facilities. CDC's management determines the need for repairs and improvements and schedules major and minor renovation, construction, and other facilities projects. During FY 2001, CDC spent \$175 million for buildings and facilities, largely for the ongoing construction of new facilities at its Roybal and Chamblee campuses.

PHYSICAL SECURITY

As part of the ongoing process of improving security for all facilities, CDC/ATSDR management has initiated these steps:

- Increased security guard force and armed selected guard posts.
- Restricted entry points to laboratories and buildings, enforced displaying of ID badges, enforced visitor escorts and sign-in and sign-out logs, and enforced the usage of cardreaders (no piggy backing).
- Required inspecting or scanning, or both, for all bags, random car searches, and inspecting delivery vehicles.
- Tested emergency notification systems and established security e-mail.
- Restricted access to the Roybal Campus through new and improved barriers and fences.

BIOTERRORISM

Before the terrorist attacks on September 11, 2001, and the subsequent anthrax attacks via the postal systems, HHS had given CDC key responsibilities to help protect our nation from, and respond to, acts of bioterrorism. CDC's major contributions to this effort include the following:

- *Established a bioterrorism emergency preparedness grant program* in nine states and two communities, New York City and Washington, D.C., to provide funding and technical assistance for assessing and coordinating services, and for developing response plans.
- *Awarded, through FY 2001, more than \$45 million in cooperative agreements* to 50 states, Guam, and four major metropolitan health departments (Chicago, Los Angeles, New York City, and Washington, D.C.) for such activities as enhancing epidemiology and surveillance capacity and improving laboratory capacity for detecting and identifying biologic and chemical agents.
- *Expanded the Health Alert Network*, which lays the foundation for a nationwide health communications system, to reach all 50 states, one territory, and four major cities.
- *Increased to 120 the number of chemicals in the Rapid Toxic Screen*, which in the event of a chemical emergency or situation involving chemical terrorism, would provide vital information on chemical agents. CDC also funded five state environmental health laboratories to provide additional surge capacity in the event of a major chemical terrorism incident.
- *Revised the eight National Pharmaceutical Stockpile 50-ton "push packages"* that contain medical and pharmaceutical materials stored in special weather-resistant cargo containers. These portable stockpiles can be rapidly deployed to a disaster site.